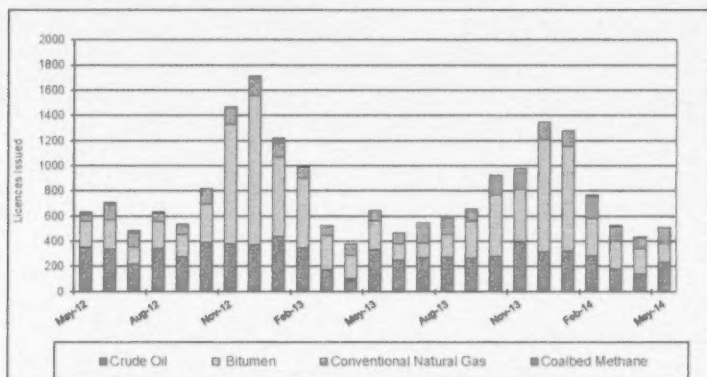


June 2014 Industry Activity Report

Monthly Well Licences



The total number of well licenses issued in May for hydrocarbon production (excluding bitumen evaluation wells) were at 436, down 28% from the 605 issued in May 2013.

There were 231 licences issued for crude oil in May, down 30% from the 332 crude oil licences issued in May 2013.

85% of the crude oil licences issued in May were for horizontal wells, compared to 89% for May 2013.

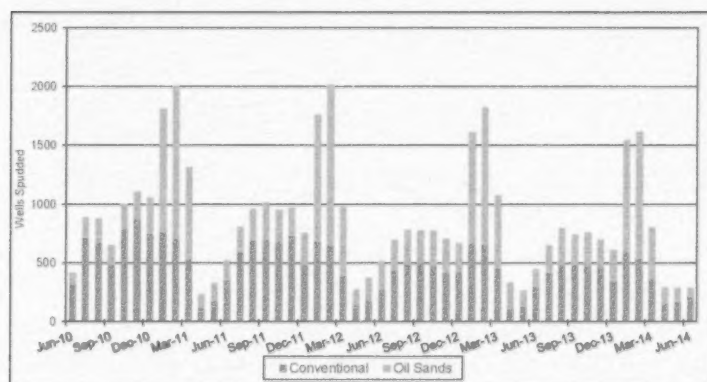
There were 123 natural gas well licenses (excluding CBM) issued in May 2014, 60% higher than the 77 reported last May.

86% of natural gas well licenses issued in May were for horizontal wells, up from 83% from the same period last year.

		May	Total	Per cent of
Licenced Wells		Drilling Type		
Natural Gas	Horizontal		106	24%
	Vertical/Direct		17	
Coal Bed Methane	Horizontal		-	0%
	Vertical/Direct		1	
Crude Oil	Horizontal		197	45%
	Vertical/Direct		34	
Bitumen	Horizontal		46	30%
	Vertical/Direct		35	
	Evaluation		73	
Total			509	100%

Source: Alberta Energy Regulator

Alberta Wells Spudded (estimates)



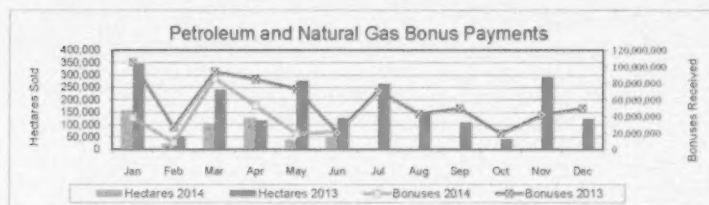
An estimated 292 wells were spudded in June, down 35% from last June.

The six month total of 4,857 spuds is down 13% from last year's January-June period.

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2010	Conventional	919	863	276	66	143	317	712	672	486	790	875	754	6,873
	Oil Sands	698	1015	317	97	73	105	179	206	165	214	238	311	3,618
2011	Conventional	762	707	531	120	178	356	590	691	705	682	734	487	6,543
	Oil Sands	1050	1296	787	121	156	169	222	275	313	273	240	270	5,172
2012	Conventional	684	648	388	144	181	279	440	497	504	487	422	430	5,104
	Oil Sands	1079	1374	592	132	194	239	264	288	280	294	284	241	5,261
2013	Conventional	666	657	449	108	132	299	417	486	485	476	466	346	4,987
	Oil Sands	950	1169	630	231	136	153	234	315	260	287	236	267	4,868
2014	Conventional	594	539	367	156	172	211							2,039
	Oil Sands	955	1082	437	140	123	81							2,818

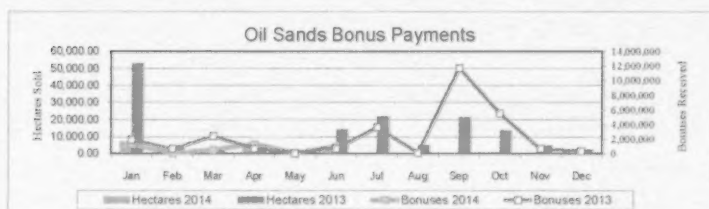
Source: Alberta Energy Regulator

Petroleum & Natural Gas & Oil Sands Land Sales



In June, land sales totalled \$23 million, 7% higher than last June's \$21 million land sale revenue.

So far in 2014, the province has collected \$232 million on the sale of 530,478 hectares, with an average price of \$436.50/hectare. Year-to-date, total land sale revenue is down 44% from the same six month period in 2013.

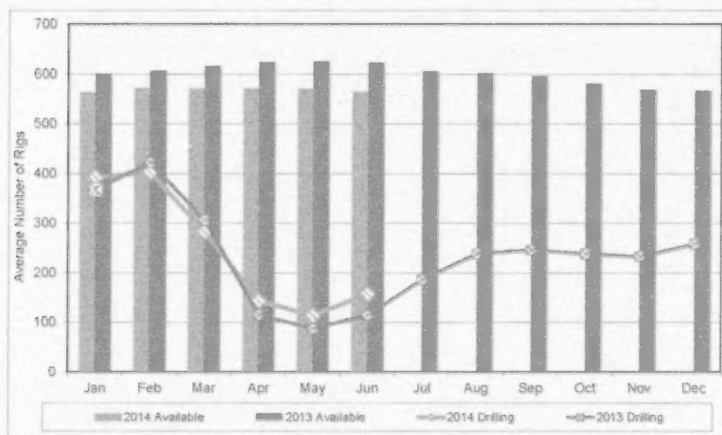


Petroleum and Natural Gas Rights	Jun-14	Jun-13	YTD 2014	YTD 2013
Bonuses	\$21,830,140.23	\$20,525,131.84	\$227,333,079.42	\$405,171,468.84
Hectares	54741.66	127099.50	510893.88	1162067.55
Average Price per Hectare (Cdn\$)	\$398.78	\$161.49	\$444.97	\$348.66

Oil Sands Rights	Jun-14	Jun-13	YTD 2014	YTD 2013
Bonuses	\$983,247.36	\$700,592.64	\$4,219,404.80	\$6,313,355.18
Hectares	3072.00	14336.00	19584.00	77790.32
Average Price per Hectare (Cdn\$)	\$320.07	\$48.87	\$215.45	\$81.16

Source: Alberta Energy

Alberta Rig Activity



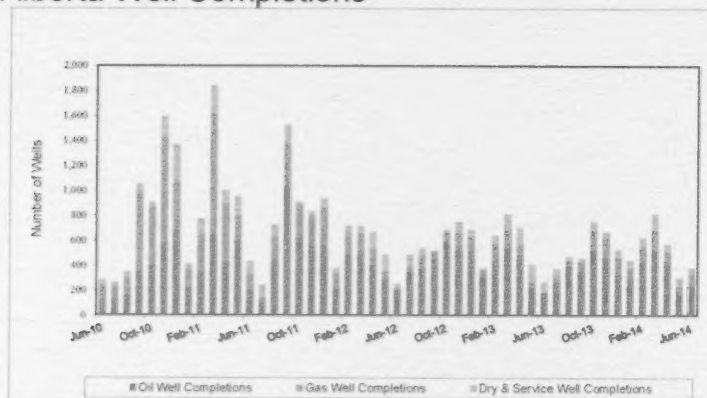
An average of 28% of Alberta's 564 rigs were active in June.

Alberta's fleet size averaged 568 for the first six months of 2014, down from 615 rigs for this period last year. An average of 44% of the rigs were at work over the first six months of 2014 compared to 38% in 2013.

June	Drilling	Down Available	Rig Util. Jun-14	Rig Util. Jun-13
Alberta	158	406	564	28% 19%
Saskatchewan	52	94	146	36% 30%
British Columbia	28	49	77	36% 39%
Northwest Territories		1	1	50%
Manitoba	2	15	17	12% 21%
Canada	239	566	805	30% 22%

Source: Canadian Association of Oilwell Drilling Contractors

Alberta Well Completions



Well completion statistics for June show that there were 379 completions in Alberta, up 39% from 272 completions in June 2013.

Over the first six months, there were 2,073 oil well completions reported, down 6% from a year ago, and 632 gas completions, up 31% from this time last year.

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2010	Oil Wells	253	144	397	198	400	126	131	168	357	402	999	676	4,251
	Gas Wells	324	308	632	418	462	117	110	135	638	461	847	403	4,855
	Dry & Service	62	79	141	6	51	41	26	43	59	46	169	294	1,017
2011	Oil Wells	226	353	650	419	602	209	105	451	1030	626	559	568	5,798
	Gas Wells	145	294	974	472	196	124	43	183	356	259	243	299	3,588
	Dry & Service	42	127	222	112	160	100	97	94	145	19	32	73	1,223
2012	Oil Wells	215	489	516	405	296	205	348	380	447	588	533	523	4,945
	Gas Wells	131	181	146	141	62	12	46	98	65	81	137	110	1,210
	Dry & Service	35	48	55	126	128	37	94	63	12	23	80	59	760
2013	Oil Wells	313	449	544	481	230	179	263	394	357	528	463	333	4,534
	Gas Wells	59	124	149	91	47	14	59	46	72	153	164	139	1,117
	Dry & Service	9	67	119	129	66	79	51	34	29	72	44	58	757
2014	Oil Wells	280	427	520	418	188	240							2,073
	Gas Wells	105	119	166	94	54	94							632
	Dry & Service	57	80	126	62	63	45							433

Source: Daily Oil Bulletin, Nickle's Energy, Information, and Technology
For further information, visit www.nickles.com